Government of Saskatchewan

Annual Report 1999-2000

Saskatchewan Post-Secondary Education and Skills Training

Saskatchewan Student Aid Fund

Annual Report
1999-2000

Saskatchewan
Student Aid Fund

For the fiscal year
ending March 31, 2000

Copies of this annual report are available by contacting:

Student Financial Assistance Branch
Saskatchewan Post-Secondary Education and Skills Training
3085 Albert Street
Regina SK S4P 3V7
Phone: (306) 787-0253
Fax: (306) 787-7537
Internet: http://www.sasked.gov.sk.ca

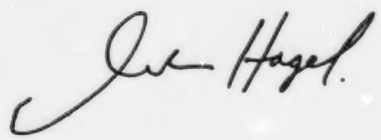
Minister's Letter of Transmittal

The Honourable Linda Haverstock
Lieutenant Governor
Province of Saskatchewan

Madam:

I have the honour to present the annual report of the Saskatchewan Student Aid Fund for the fiscal year ending March 31, 2000. The financial statements included in the report were prepared by the Department of Post-Secondary Education and Skills Training and audited by the Provincial Auditor of Saskatchewan.

Respectfully submitted,



Glenn Hagel
Minister of Post-Secondary Education
and Skills Training

Trustees' Letter of Transmittal

The Honourable Glenn Hagel
Minister
Saskatchewan Post-Secondary Education and Skills Training

Sir:

On behalf of the Trustees, I have the honour of submitting the annual report of the Saskatchewan Student Aid Fund for the fiscal year ending March 31, 2000.

The previous year's initiation of improvements and enhancements to the Saskatchewan Student Assistance Program continued and strengthened in 1999-2000. These measures were implemented in response to several federal and provincial initiatives, such as the *Saskatchewan Training Strategy: Bridges to Employment,* recommendations by the Task Group on Student Assistance and the Minister's Response, the *Social Union Framework Agreement* and the federal-provincial *Labour Market Development Agreement,* all of which underpin the Province's commitment to the principles of accessibility, equity, shared responsibility, affordability and accountability.

➢ **In 1999-2000, financial accessibility to post-secondary programs, services and employment increased:**

- More students applied for, and were authorized to receive, more Saskatchewan Student Loan assistance:

  - Four per cent more student loan applications were received and processed by Student Financial Assistance Branch:
    - 19,200 applications were received in 1999-2000;
    - 18,410 applications were received in the previous year.

  - Thirteen per cent more Saskatchewan Student Loans were authorized with a total amount which was fourteen per cent higher:
    - 16,246 loans authorized a total of $57,102,028 in 1999-2000;
    - 14,355 loans authorized a total of $49,999,434 in the previous year.

Trustees' Letter of Transmittal *(continued)*

- Measures to deal with student debt have had significant impact in the present year and will have an increasing effect in the years ahead:

  - Debt reduction measures have more than doubled over the previous year:
    - $41,393,703 was paid in 1999-2000;
    - $19,000,717 was paid in the previous year.

  - *Breakdown of Debt Reduction Benefits:*
    - *Saskatchewan Student Bursaries* for high need students with loans exceeding $180 per week of study:
      - 8,658 student accounts were paid $18,111,776 in 1999-2000;
      - 558 student accounts were paid $660,031 in the previous year.

    - *Canada Study Grants* for students with dependent children:
      - 2,706 student accounts were paid $3,572,157 in 1999-2000;
      - 245 student accounts were paid $164,255 in the previous year.

    - *Saskatchewan Study Grants* for students with dependent children:
      - 2,467 student accounts were paid $5,315,241 in 1999-2000;
      - 226 student accounts were paid $252,934 in the previous year.

    - *Remission Subsidies* for Special Incentive Students:
      - 1,000 student accounts were approved $2,066,575 in 1999-2000;
      - 1,105 student accounts were approved $2,350,543 in the previous year.

    - *Loan Forgiveness* for high need students:
      - 573 student accounts were approved $2,552,954 in 1999-2000;
      - 5,005 student accounts were approved $15,572,954 in the previous year.

      Loan forgiveness was replaced by Saskatchewan Student Bursaries for courses starting on or after August 1, 1998.

    - *Canada Millennium Scholarship Foundation Bursaries:*
      - 3,940 students were paid $9,775,000 in 1999-2000 which is the first year of a ten-year agreement between the Province and the Canada Millennium Scholarship Foundation.

      This assistance is forwarded by the Foundation to the students' financial institution to be applied against student loan balances.

  - Increased utilization of the Saskatchewan Interest Relief Plan:
    - 4,516 student borrowers received a total of $678,151 in interest relief in 1999-2000;
    - 4,180 student borrowers received a total of $668,302 in the previous year.

Trustees' Letter of Transmittal *(continued)*

- Implementation of a Tax Credit on Student Loan Interest:
  To further assist in debt management and repayment, the federal and provincial governments introduced a 17% tax credit on the interest portion of students' Canada and Saskatchewan Student Loan payments, starting in the 1998 tax year. The tax credit can be carried forward and applied on any one of the next five years' returns.

➢Initiatives to lower barriers to post-secondary programs, services and employment were introduced and enhanced:

- Portability of Saskatchewan assistance within Canada was made available.
  To enhance accessibility to post-secondary education, provincial assistance is available to students studying at any approved educational institution within Canada. This policy change supports the recommendation of the *Social Union Framework Agreement* that residency-based barriers to accessing social programs anywhere in Canada should be eliminated.
  - 15% of Saskatchewan's student borrowers studied outside Saskatchewan but inside Canada in 1999-2000.
  - 2% of Saskatchewan's student borrowers studied at out-of-country schools in 1999-2000. Some restrictions on eligibility for provincial assistance apply to these students.

- Twenty-four percent more high need students received 50% more *Special Opportunity Grant* assistance in the year under review:

  - For students with permanent disabilities:
    - 162 students received $665,355 in 1999-2000;
    - 114 students received $407,457 in the previous year.

  - For high need part-time students:
    - 265 students received $440,809 in 1999-2000;
    - 227 students received $322,767 in the previous year.

  - For female doctoral students:
    - 7 students received $31,080 in 1999-2000;
    - 7 students received $27,377 in the previous year.

- Under the Canada Student Loans Program for Part-time Students:
  - 158 students received $171,189 in 1999-2000;
  - 105 students received $144,704 in the previous year.

Trustees' Letter of Transmittal *(continued)*

➢Goals and initiatives in the coming year:

- To develop and implement the Post-Secondary Graduate Tax Credit Program announced in the 2000 Budget Speech. Beginning in 2000, all post-secondary graduates who file Saskatchewan tax returns will receive a one-time tax credit to help them establish careers in the province. The credit can be carried forward for up to four years.

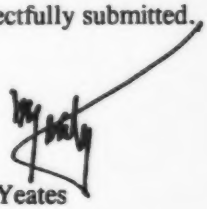
- To effectively manage debt reduction measures which will become increasingly important to students in future years. As students complete their studies and begin repayment of their student loans, the average student loan debt load which has remained consistently between $12,000 and $13,000 over the last six years, is expected to decrease significantly in response to the impact of improved debt reduction benefits introduced in the 1998-99 loan year.

- To develop proposals and finalize arrangements for financing Saskatchewan Student Loans after expiration of the *Lender-financing Saskatchewan Student Loans Agreement* on July 31, 2001.

- To continue discussions with other provinces, the federal government, students, educators and others with a stake in student assistance programs, with the objective of developing initiatives which make sense to Saskatchewan people and assist students in meeting their own personal career and employment goals.

The Trustees believe that the existing internal controls provide reasonable assurance that Saskatchewan Student Aid Fund assets are safeguarded and that the financial records are reliable for preparing information and maintaining accountability for assets.

Respectfully submitted,



Neil Yeates
Trustee
Saskatchewan Student Aid Fund

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1999-2000 Highlights of Saskatchewan Student Aid Fund Activities

➢ ***The number of students applying for student loans increased over the previous year:***
Approximately 19,200 applications were processed by Student Financial Assistance Branch in 1999-2000. In the previous year, 18,410 were processed. Of these applications, 87% received student loans. Primary reasons for rejection were:

- lack of required information (e.g., the application was incomplete and the student did not respond to inquiries);
- the student did not meet the eligibility criteria (such as applying to the wrong province for assistance); or
- the student had more resources than educational costs.

➢ ***The amount of authorized* assistance and the number of students assisted increased significantly over the previous year. This is consistent with an upward trend over the last four years:***

- $69,681,009 in Canada Student Loan assistance was authorized to 16,384 students in 1999-2000. In the previous year 14,930 students were authorized $63,097,821. Four years ago $61,329,458 was authorized to 14,745 students.
- $57,102,028 in Saskatchewan Student Loan assistance was authorized to 16,246 students in 1999-2000. In the previous year 14,355 students were authorized $49,999,434. Four years ago, $44,364,852 was authorized to 13,886 students.

**Authorized loans are loans approved for courses starting in the fiscal year 1999-2000, whether or not the monies were paid in that fiscal year.*

Table 1 - Summary of Loans, Awards, Benefits and Subsidies - Saskatchewan Student Assistance Program: 1999-2000

	Amount
Full-time Canada Student Loans Authorized	$69,681,009
Saskatchewan Student Loans Authorized	57,102,028
Debt Reduction Benefits:	
• Saskatchewan Student Bursary Paid	18,111,776
• Canada Study Grant Paid	3,572,157
• Saskatchewan Study Grant Paid	5,315,241
• Remission Approved	2,066,575
Loan Forgiveness Approved	2,552,954
Special Opportunity Grants:	
• Students with Permanent Disabilities Paid	665,355
• High Need Part-time Students Paid	440,809
• Female Doctoral Students Paid	31,080
Part-time Canada Student Loans Authorized	171,189
Saskatchewan Interest Relief Plan Paid	678,151
General Proficiency Awards Paid	264,000
French Language - Federal Provincial Awards Paid	181,950
Queen Elizabeth II Scholarship in Parliamentary Studies Paid	10,000
Canada Millennium Scholarship Foundation Bursaries *(Paid by the Canada Millennium Scholarship Foundation to financial institutions to be applied against student loan balances)*	9,775,000

1999-2000 Highlights of Saskatchewan Student Aid Fund Activities

➢ ***The school sector representation in the student assistance population changed slightly from the previous fiscal year:***

- The university sector decreased from 52% to 51%.
- The private vocational school sector increased from 10% to 13%.

➢ ***Saskatchewan Student Loan repayments to the Province continued to decrease. Contributing factors to this reduction:***

- Students are paying off their Saskatchewan Student Loans consolidated prior to August 1, 1996 and no longer owe the Province.
- The final phase of transfer of Saskatchewan Student Loans to the Royal Bank of Canada under the *Saskatchewan Student Loans Assignment Agreement* (signed on July 7, 1997) was completed by December 31, 1999.
- Lender-financed Saskatchewan Student Loans are being negotiated with and repaid to the Royal Bank of Canada under the *Saskatchewan Risk Sharing Student Loans Agreement* (signed on March 12, 1996):
  - $3,380,867 in Saskatchewan Student Loan payments were received by the Province in 1999-2000.
  - $8,038,295 in payments were received by the Province in 1998-99.

➢ ***Student Aid Fund loans receivable were almost 40% lower on March 31, 2000 than the previous year:***

- Student Aid Fund loans receivable totalled $4,669,883 on March 31, 2000.
- On March 31, 1999, the amount was $7,643,393.

The primary reason for this reduction in loans receivable is the transfer of Saskatchewan Student Loan accounts to the Royal Bank of Canada under the *Saskatchewan Student Loans Assignment Agreement*.

➢ ***In the first full year of deferred Debt Reduction Benefits, Saskatchewan students were the recipients of expanded and enhanced federal and provincial assistance:***

- $18,111,776 in **Saskatchewan Student Bursary** was paid to 8,658 student acounts.
- $3,572,157 in **Canada Study Grant** was paid to 2,706 student accounts.
- $5,315,241 in **Saskatchewan Study Grant** was paid to 2,467 student accounts.
- $2,066,675 in **Remission** was approved for 1,000 Special Incentive Students.

➢ ***In the first year of a ten-year program, Canada Millennium Scholarship Foundation Bursaries:***

- $9,775,000 was paid to 3,940 student accounts in 1999-2000.

➢ ***More student loan borrowers received interest and repayment relief under the Saskatchewan Interest Relief Plan in 1999-2000:***

- $678,151 in interest relief was paid on behalf of 4,516 borrowers in 1999-2000.
- $668,302 was paid on behalf of 4,180 borrowers in the previous year.

The Saskatchewan Student Aid Fund

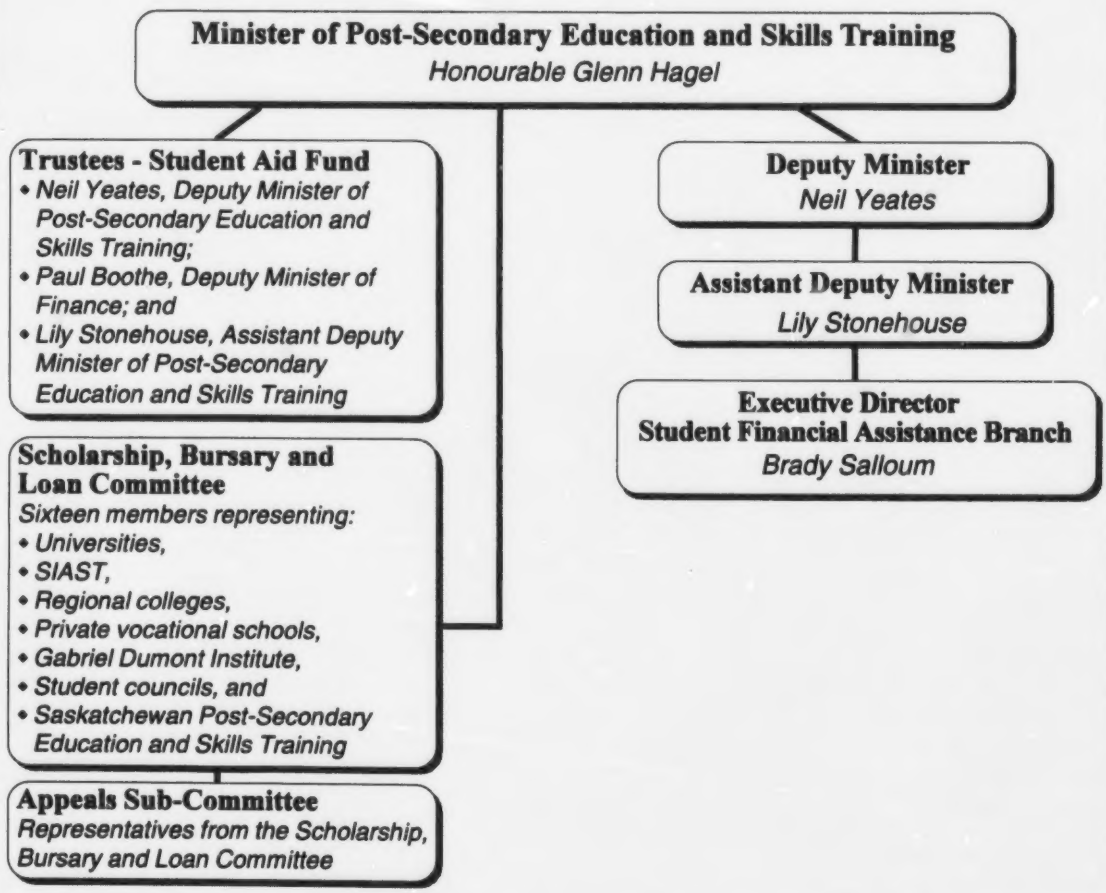
The Saskatchewan Student Aid Fund was created in 1949 by the Government of Saskatchewan to ensure that students would not be denied access to post-secondary education or training due to lack of financial means. Since then, the Fund has assisted many thousands of individuals to attain their career goals.

Organization and Administration

Authority for administration of the Saskatchewan Student Aid Fund is provided by *The Student Assistance and Student Aid Fund Act, 1985* and *Regulations*. This legislation calls for:

- Three trustees to administer the Fund;
- The Scholarship, Bursary and Loan Committee to make recommendations to the Minister; and
- The department over which the Minister presides to operate the Fund.

Chart 1 - Organization and Administration of the Saskatchewan Student Aid Fund - March 31, 2000


Minister of Post-Secondary Education and Skills Training
Honourable Glenn Hagel
Trustees - Student Aid Fund
• Neil Yeates, Deputy Minister of Post-Secondary Education and Skills Training;
• Paul Boothe, Deputy Minister of Finance; and
• Lily Stonehouse, Assistant Deputy Minister of Post-Secondary Education and Skills Training
Scholarship, Bursary and Loan Committee
Sixteen members representing:
• Universities,
• SIAST,
• Regional colleges,
• Private vocational schools,
• Gabriel Dumont Institute,
• Student councils, and
• Saskatchewan Post-Secondary Education and Skills Training
Appeals Sub-Committee
Representatives from the Scholarship, Bursary and Loan Committee
Deputy Minister
Neil Yeates
Assistant Deputy Minister
Lily Stonehouse
Executive Director
Student Financial Assistance Branch
Brady Salloum

Trustees

The Trustees of the Saskatchewan Student Aid Fund were established in 1949 under *The Student Aid Fund Act*. The present legislation, *The Student Assistance and Student Aid Fund Act, 1985*, states:

3(1) The Trustees of the Saskatchewan Student Aid Fund are continued as a body corporate and consist of:

(a) the deputy minister of the department;
(b)the deputy minister of the Department of Finance; and
(c) one person appointed by the Lieutenant Governor in Council on the recommendation of the minister.

The Trustees are required to:

(2) ...administer the fund in accordance with this Act and the regulations.

Trustee Activities in 1999-2000

The Trustees changed during the course of the 1999-2000 fiscal year:

- Dan Perrins was replaced by Neil Yeates, Deputy Minister, Saskatchewan Post-Secondary Education and Skills Training;
- W. Davern (Bill) Jones was replaced by Paul Boothe, Deputy Minister, Saskatchewan Finance; and
- Ken Alecxe was replaced by Lily Stonehouse, Assistant Deputy Minister, Saskatchewan Post-Secondary Education and Skills Training.

The Trustees held three meetings: June 10, 1999, September 20, 1999, and January 25, 2000, in which they:

- reviewed the Fund's quarterly financial statements and approved the Student Aid Fund budget for 1999-2000;
- provided input, guidance and recommendations on federal and provincial initiatives and proposals, such as: harmonization and program integration, Canada Millennium Scholarship Foundation Bursary initiatives, financing of provincial loans after expiration of the present agreement in July, 2001, and the necessity to enhance and expand the Department's computer system to support the increased number of income support programs.

Scholarship, Bursary and Loan Committee

The Scholarship, Bursary and Loan Committee was established in 1971 under *The Student Aid Fund Act*. The present legislation, *The Student Assistance and Student Aid Fund Act, 1985*, states that the Committee shall:

4.(3)(a) make recommendations to the minister concerning the development and administration of scholarships, bursaries, loans or other forms of assistance for students under any program in which financial support for students is derived:

(i) from the fund;
(ii) from grants or payments from the Minister of Finance; or
(iii) pursuant to agreements between the Government of Saskatchewan and the Government of Canada or agencies of the Government of Canada;

(b) conduct studies concerning programs of financial assistance to students and for that purpose may receive representations from governments, institutions, organizations and interested persons.

The legislation provides a total membership of 16 persons, 12 of whom are specified. The *specified* members are the following:

- The chairperson is the deputy minister of Saskatchewan Post-Secondary Education and Skills Training or a designate; in 1999-2000 the Executive Director of Student Financial Assistance Branch chaired the committee.
- The vice-chairperson is an officer of the department.
- The University of Saskatchewan representation is the President or an appointee; the Emergency and Government Loans Officer of the university was the representative in 1999-2000.
- The University of Regina representation is the President or an appointee; the Financial Aid Officer represented the university in 1999-2000.

- Eight other representatives:
  - a representative from the department; the Director of Income Support, was the representative;
  - a person representing SIAST; the Registrar of Palliser Campus served in this capacity for 1999-2000; and
  - one person representing the student councils of the following schools:
    - University of Saskatchewan;
    - University of Regina; and
    - each of the four SIAST campuses.

- In 1999-2000, individuals *not specified* under the Act were appointed to represent the following:
  - private vocational schools sector;
  - Saskatchewan regional colleges;
  - Gabriel Dumont Institute of Native Studies and Applied Research; and
  - another staff member of Student Financial Assistance Branch who served as secretary of the committee.

Committee Activities in 1999-2000

- The Committee held two meetings: July 8, 1999, and April 4, 2000, in which they:
  - discussed federal student aid initiatives, such as federal and provincial debt reduction measures;
  - discussed student income support programs such as the Provincial Training Allowance and Skills Training Benefit programs;
  - reviewed and approved the 1999-2000 Saskatchewan Student Assistance Program Administrative Guidelines;
  - discussed the impact and anticipated effects of direct financing arrangements for the Canada Student Loans Program on Saskatchewan students; and
  - appointed five committee members to serve on the Appeals Sub-Committee.

Appeals Sub-Committee

- The Appeals Sub-Committee is in place to review cases where students applying for assistance may have extenuating circumstances that would affect their assessments.

- If the Sub-Committee determines the circumstances are extenuating, further assistance may be granted.

- Appeals Sub-Committee Activities in 1999-2000:
  - A total of 54 appeals were reviewed.
  - Additional assistance was granted in 45 (83%) of these cases.

Minister and the Department

Authority for the Minister to make awards under the Saskatchewan Student Assistance Program is provided by *The Student Assistance and Student Aid Fund Act, 1985* and *Regulations*.

The Saskatchewan Student Assistance Program is an umbrella agency covering all federal and provincial loans, scholarships and awards programs funded or administered under the authority of *The Student Assistance and Student Aid Fund Act, 1985*. The Student Financial Assistance Branch administers this program on behalf of the Minister of Post-Secondary Education and Skills Training.

Branch Activities in 1999-2000

In the reporting year, Student Financial Assistance Branch received 19,200 student loan applications. In processing these applications, Branch staff:

- Assess, review and/or reassess applications and issue notifications for:
  - Canada Student Loans for Full-time Students;
  - Canada Student Loans for Part-time Students;
  - Saskatchewan Student Loans;
  - Special Opportunity Grants for:
    - Students with Disabilities;
    - Female Doctoral Students; and
    - High Need Part-time Students;
  - Debt Reduction Benefits:
    - Saskatchewan Student Bursary;
    - Saskatchewan Study Grant;
    - Canada Study Grant;
    - Remission; and
    - Canada Millennium Scholarship Foundation Bursaries.

- Work in partnership with the Royal Bank of Canada to provide financing for Saskatchewan Student Loans and to administer the Saskatchewan Interest Relief Plan.

- Issue all repayment documentation and carry out all financial accounting for Saskatchewan Student Loans in repayment that have not been transferred to the Royal Bank of Canada.

- Provide computer application support and services.

- Audit and verify information provided by students.

- Offer information and advisory services to students, their families, educational institutions and the general public. During 1999-2000, 52 informational sessions were held for more than 6,000 people in communities all over Saskatchewan.

The Branch's other duties included:

- Support services to the Student Aid Fund Trustees, the Scholarship, Bursary and Loan Committee and other groups at the request of the Minister.

- Financial accounting requirements of the Student Aid Fund, including:
  - Provincial scholarships and bursaries and emergency loans, and
  - Federally reimbursed scholarships and awards.

- Participation in federal/provincial initiatives and representation on national student assistance committees which included analysis and discussion of direct lending of Canada Student Loans, the development of tax credits for the interest portion of student loans in repayment.

- Dissemination of information, review, analysis, support and approval of Canada Millennium Scholarship Foundation Bursaries for Saskatchewan post-secondary students.

The Saskatchewan Student Assistance Program

Student Loan Programs

Financial assistance for post-secondary students is provided under the Canada and Saskatchewan Student Loans Programs. The two programs work in combination, and both programs are administered by Student Financial Assistance Branch on behalf of the Minister of Saskatchewan Post-Secondary Education and Skills Training and Human Resources Development Canada (HRDC). Students apply for both loans on the single application provided in the ***Student Assistance Application Package***. To finance further years of post-secondary education with student loans, the student must submit a new application yearly.

Eligibility for Assistance

Student Financial Assistance Branch uses federal criteria to determine the applicant's eligibility for student loans. To qualify for student loans, the student must:

- be a Canadian citizen or permanent resident as defined in the *Immigration Act;*
- be a Saskatchewan resident according to program criteria;
- be enrolled as a full-time student;
- be enrolled in a program of studies leading to a degree, diploma or certificate;
- be attending a school with designated status granted by the Minister of Post-Secondary Education and Skills Training;
- be in financial need according to student loan program guidelines;

Chart 2 - Assistance Available: Students with Dependent Children, 1999-2000

Class of Student	Maximum Assistance Available	Assistance Authorized	Debt Reduction Benefits	Maximum Debt Level *(for the first 170 weeks of post-secondary study)**
Special Incentive Students • all single parents • married students who are Non-Status Indian/Métis and/or Northerners	$400 per week of study	•CSL - covers 60% of assessed need to a maximum of $165 per week of study •SSL - covers remaining assessed need to a maximum of $235 per week of study	• Sask.Student Bursary/Canada Millennium Scholarship Foundation Bursary • Canada/Sask. Study Grants • Remission	$180 per week of study less any amount of Remission received
Regular Students • all other married students	$400 per week of study	•CSL - covers 60% of assessed need to a maximum of $165 per week of study •SSL - covers remaining assessed need to a maximum of $235 per week of study	• Sask.Student Bursary/Canada Millennium Scholarship Foundation Bursary • Canada/Sask. Study Grants	$180 per week of study

CSL - Canada Student Loan
SSL - Saskatchewan Student Loan

*Beyond 170 weeks (5 university academic years) of study, debt level per week of study will increase as the student will not be eligible for the Saskatchewan Student Bursary. Some students may be eligible for the Canada Millennium Scholarship Foundation Bursary.

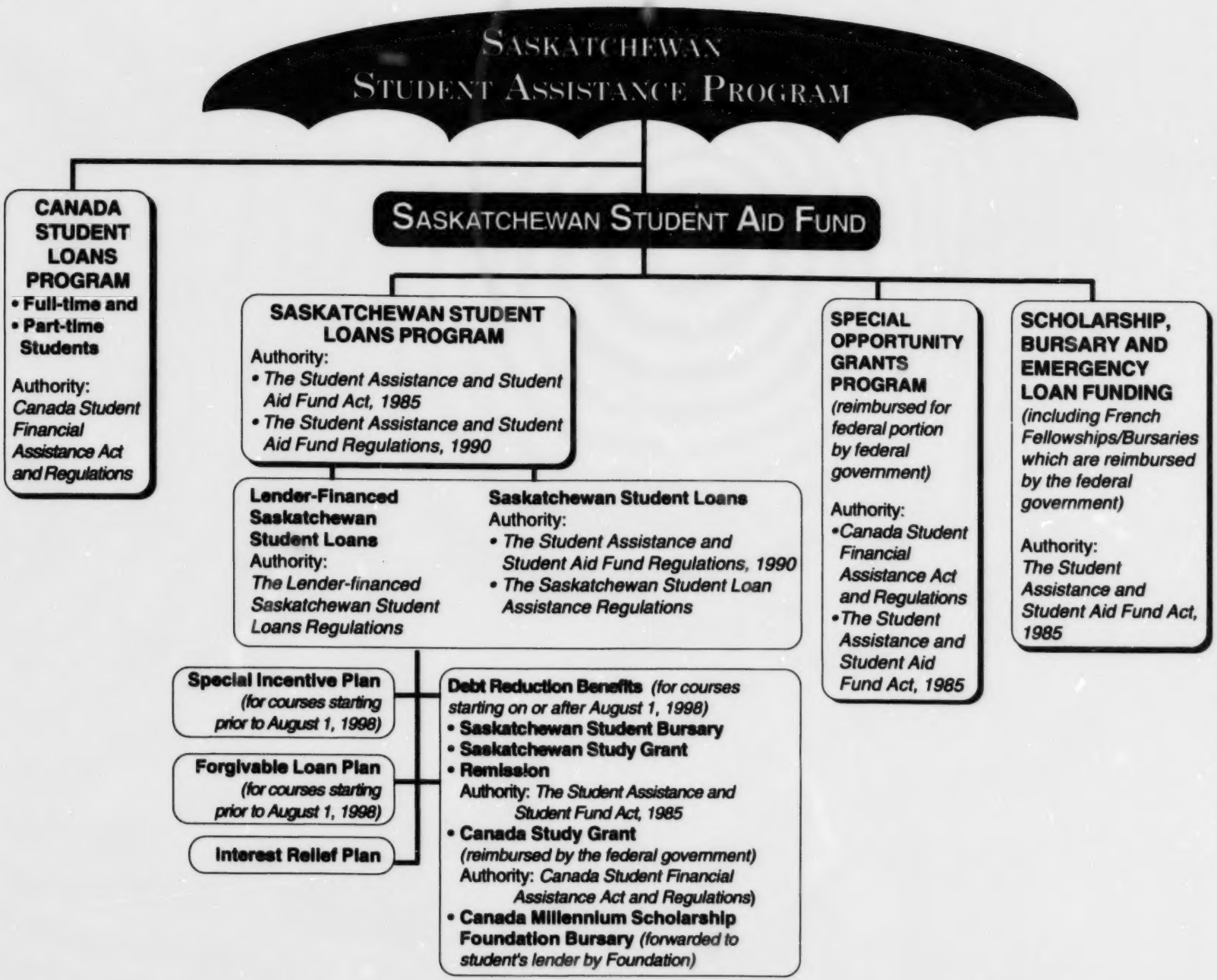

SASKATCHEWAN STUDENT ASSISTANCE PROGRAM
CANADA STUDENT LOANS PROGRAM
• Full-time and
• Part-time Students
Authority:
Canada Student Financial Assistance Act and Regulations
SASKATCHEWAN STUDENT AID FUND
SASKATCHEWAN STUDENT LOANS PROGRAM
Authority:
• The Student Assistance and Student Aid Fund Act, 1985
• The Student Assistance and Student Aid Fund Regulations, 1990
Lender-Financed Saskatchewan Student Loans
Authority:
The Lender-financed Saskatchewan Student Loans Regulations
Saskatchewan Student Loans
Authority:
• The Student Assistance and Student Aid Fund Regulations, 1990
• The Saskatchewan Student Loan Assistance Regulations
Special Incentive Plan (for courses starting prior to August 1, 1998)
Forgivable Loan Plan (for courses starting prior to August 1, 1998)
Interest Relief Plan
Debt Reduction Benefits (for courses starting on or after August 1, 1998)
• Saskatchewan Student Bursary
• Saskatchewan Study Grant
• Remission
Authority: The Student Assistance and Student Fund Act, 1985
• Canada Study Grant
(reimbursed by the federal government)
Authority: Canada Student Financial Assistance Act and Regulations)
• Canada Millennium Scholarship Foundation Bursary (forwarded to student's lender by Foundation)
SPECIAL OPPORTUNITY GRANTS PROGRAM
(reimbursed for federal portion by federal government)
Authority:
•Canada Student Financial Assistance Act and Regulations
•The Student Assistance and Student Aid Fund Act, 1985
SCHOLARSHIP, BURSARY AND EMERGENCY LOAN FUNDING
(including French Fellowships/Bursaries which are reimbursed by the federal government)
Authority:
The Student Assistance and Student Aid Fund Act, 1985

Chart 3 - Saskatchewan Student Assistance Program and Governing Legislation - 1999-2000

- not be in default on a previous student loan;
- maintain a satisfactory scholastic standard to continue to be eligible for student loans;
- be receiving assistance for less than 520 weeks of study (if the first student loan was received before August 1, 1995), or for less than 340 weeks of study (if the first student loan was received on or after August 1, 1995). There is an exception to the 340 week limit for students enrolled in doctoral programs and students with permanent disabilities; and
- complete the program within the number of periods of study normally specified by the school for completion of that program, plus one additional period.

Effective August 1, 1999, the federal government introduced a new policy on credit worthiness. First time applicants for student assistance who are 22 years of age or older at the time of application will be screened for credit worthiness by a credit agency using federal criteria prior to the issuing of loan certificates.

In addition to the foregoing, to qualify for Saskatchewan Student Loans, students must take their course in Canada unless:

- the program is not offered in Saskatchewan; or
- the student is enrolled in a graduate degree program; or
- the student is not able to obtain the program in Saskatchewan due to a quota system; or
- the student is not able to obtain the program in Saskatchewan because of insufficient marks for acceptance to a Saskatchewan school; or
- the student is receiving advanced post-secondary credits that will reduce the length of the program by at least one full semester; or
- the student is receiving a major scholarship that reduces the total cost of tuition by at least $1,500 below the cost in Saskatchewan; or
- the cost of tuition at the out-of-province school is $1,500 or more below these costs at a Saskatchewan school; or

Chart 4 - Assistance Available: Students <u>without</u> Dependent Children, 1999-2000

Class of Student	Maximum Assistance Available	Assistance Authorized	Debt Reduction Benefits	Maximum Debt Level *(for the first 170 weeks of post-secondary study)**
Special Incentive Students • students who are Non-Status Indian/Métis and/or Northerners	$385 per week of study	• CSL - covers 60% of assessed need to a maximum of $165 per week of study • SSL - covers remaining assessed need to a maximum of $220 per week of study	• Sask.Student Bursary/Canada Millennium Scholarship Foundation Bursary • Remission	$180 per week of study less any amount of Remission received
Regular Students • all other students	$275 per week of study	• CSL - covers 60% of assessed need to a maximum of $165 per week of study • SSL - covers remaining assessed need to a maximum of $110 per week of study	• Sask.Student Bursary/Canada Millennium Scholarship Foundation Bursary	$180 per week of study

CSL - Canada Student Loan
SSL - Saskatchewan Student Loan

*Beyond 170 weeks (5 university academic years) of study, debt level per week of study will increase as the student will not be eligible for the Saskatchewan Student Bursary. Some students may be eligible for the Canada Millennium Scholarship Foundation Bursary.

- the student was attending a program of more than one year in length outside Canada prior to 1999-2000 for which the student received Saskatchewan Student Loans and wishes to continue studies in the same program in the same school; or
- the student is an elite athlete who is a member of a Canadian Olympic or national team or has the potential to compete for Canada at the international level and must study at an out-of-country school in order to train with the national team coach headquartered at that location; or
- the student's spouse, who is also a student, qualifies for provincial assistance under one of the above criteria.

Assessing Applications

Once eligibility has been determined, the applicant's financial need for assistance is calculated by subtracting the contributions expected from the student and the student's family from the educational and living costs allowed under the program.

A new policy was introduced by the Province in the 1999-2000 loan year. Students whose assessment results indicate their need for assistance is more than $60 per week of study than they are allowed under the program will be required to submit a financial plan. This plan must indicate how they will make up the difference so they have adequate finances to complete their course of study.

In Saskatchewan, assistance is authorized for full-time students initially in the form of a Canada Student Loan and a Saskatchewan Student Loan. Student Financial Assistance Branch issues loan certificates to the student, which must be negotiated with a participating lender.

Beginning in the 1995-96 loan year and under the terms of risk premium lender agreements and the *Canada Student Financial Assistance Act* and *Regulations*, several banks and credit unions are participating lenders for the Canada Student Loans Program. The Royal Bank of Canada is the sole participating lender for the Saskatchewan Student Loans Program.

Chart 5 - Number of Authorized Saskatchewan Student Loans

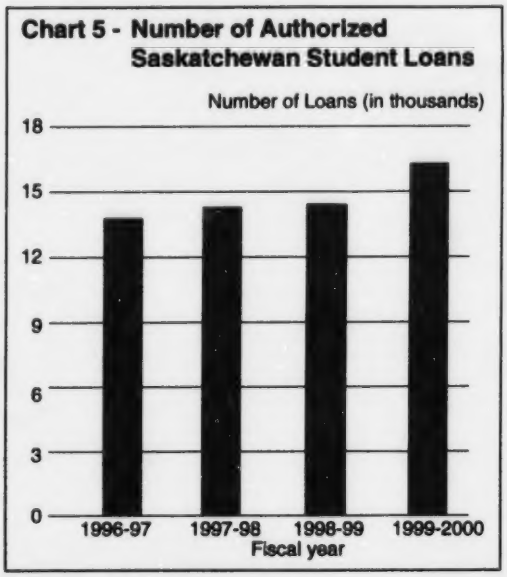
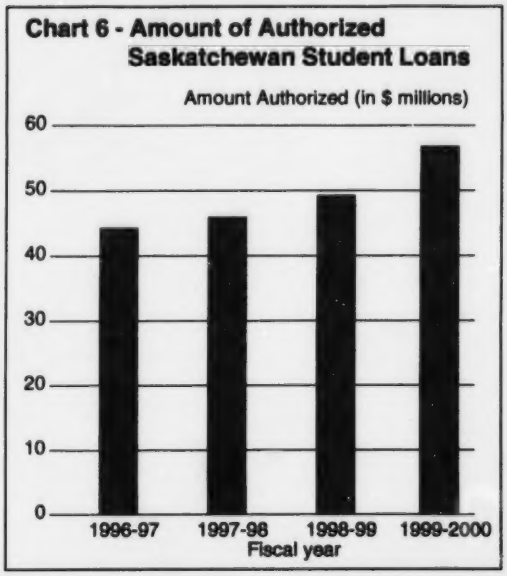


Chart 6 - Amount of Authorized Saskatchewan Student Loans



Debt Reduction Benefits

Several federal and provincial debt reduction benefits are available to reduce the amount of student loans the student will have to repay. The following three benefits are funded by the Government of Saskatchewan:

- Saskatchewan Student Bursary;
- Saskatchewan Study Grant, and
- Remission.

In addition, the Government of Canada:

- introduced the Canada Study Grant; and
- created the Canada Millennium Scholarship Foundation, an independent agency to allocate the ten-year $2.55 billion endowment. This agency developed the Canada Millennium Scholarship Foundation Bursaries which were offered to Canadian post-secondary students beginning in the 1999-2000 loan year.

The Canada and Saskatchewan Study Grants, along with the Saskatchewan Student Bursary, were introduced in the 1998-99 loan year and basically replaced and enhanced the Forgivable Loan Plan. The Canada and Saskatchewan Study Grants are available to students with dependent children with loan assistance exceeding $275 per week of study for all weeks of post-secondary study.

The Saskatchewan Student Bursary is available to all students with loan assistance exceeding $180 per week of study for the first 170 weeks of post-secondary study.

Remission continues to be available to Special Incentive Students under the same conditions as in existence prior to August 1, 1998.

The Canada Millennium Scholarship Foundation Bursary provides between $2,000 and $4,000 annually with a lifetime maximum of $19,200. The bursary is available to students in second and higher years of post-secondary studies, excluding graduate studies.

Starting in the 1999-2000 loan year, the Canada Millennium Scholarship Foundation Bursary replaces the Saskatchewan Student Bursary and Saskatchewan Study Grant for eligible students. Students with more than 170 weeks of post-secondary study are not eligible for the Saskatchewan Student Bursary. However, these students may qualify for the Canada Millennium Scholarship Foundation Bursary beyond the 170 weeks of study. Students who qualify for the Canada Millennium Scholarship Foundation Bursary are notified by the Foundation of the final amount which is sent to the lender on the student's behalf.

With the exception of remission, which must be applied for separately, all debt reduction benefits are provided to the student initially in the form of Saskatchewan Student Loan assistance. Following

Chart 7 - Number of Approved Applications for Remission Subsidies on Canada Student Loans and Sask. Student Loans - 1999-2000

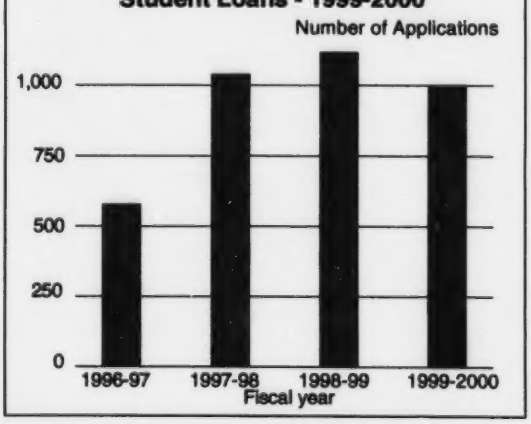
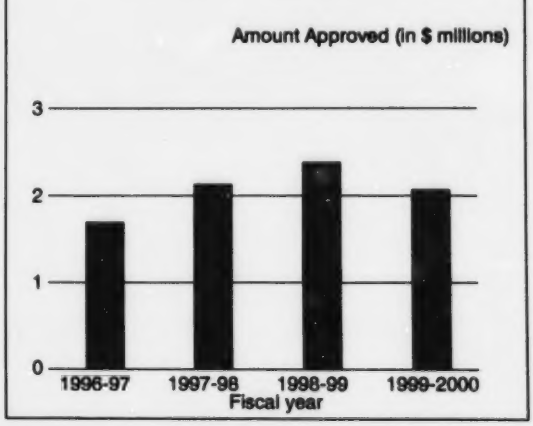


Chart 8 - Approved Remission Subsidies on Canada Student Loans and Sask. Student Loans - 1999-2000



the study period, the benefit amount is applied against the student's Saskatchewan Student Loan debt and, in some cases, federal loan debt to reduce total debt load. The provincial government is compensated by the federal government and the Canada Millennium Scholarship Foundation for Canada Study Grants and Canada Millennium Scholarship Foundation Bursaries paid.

Charts 3 and 4 indicate the maximum loan and debt reduction benefits a student can receive for full-time study and the resulting maximum debt load incurred.

Appeals and Reviews

An appeal of assessment results may be requested by a student if additional assistance is required due to unavoidable situations or exceptional circumstances during the pre-study and/or study period. The Appeals Sub-Committee, consisting of Scholarship, Bursary and Loan Committee members from student councils and post-secondary schools, is formed each year to review appeals.

A review or reassessment may be undertaken when there is a change in the information provided on the application. Reviews or reassessments are based strictly on current program criteria.

Interest-Free Status

The federal and provincial governments pay the interest on Canada and Saskatchewan Student Loans while the student is attending school full-time. The student is responsible for the interest on Canada Student Loans from the first day of the first month after the student graduates or ceases full-time study. The provincial government pays the interest on Saskatchewan Student Loans for an additional six months after the student graduates or ceases full-time study. As of August 1, 2000, the interest-free period on new and continuing Saskatchewan Student Loans will mirror the Canada Student Loans Program.

The student is not responsible for interest that accrues on student loans between academic years if the break is six months or less and the appropriate documentation is submitted to the lender(s).

Students who are attending school without full-time assistance from the Saskatchewan Student Assistance Program may keep any federal and provincial student loans in interest-free status during their academic periods by submitting appropriate documentation to their lender(s)

Chart 9 - Percentage of School Sector Representation in the Student Assistance Population: 1999-2000

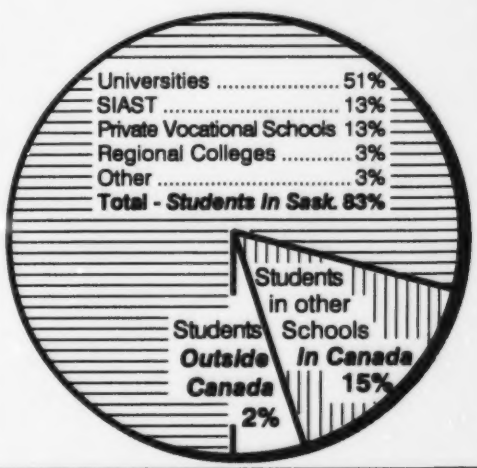
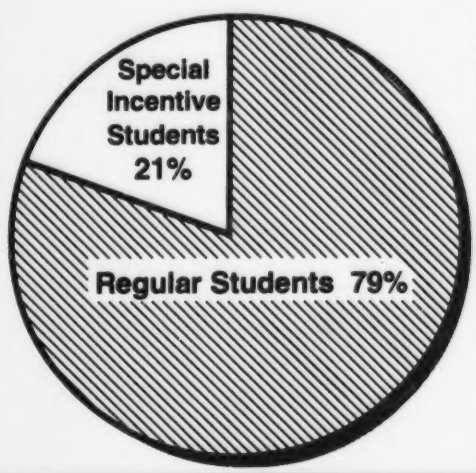

Universities 51%
SIAST 13%
Private Vocational Schools 13%
Regional Colleges 3%
Other 3%
Total - Students in Sask. 83%
Students in other Schools In Canada 15%
Students Outside Canada 2%

Chart 10 - Percentage of Regular and Special Incentive Plan (SIP) Students: 1999-2000



Repayment of Student Loans

Students must make arrangements to repay their Canada and Saskatchewan Student Loans within six months after ceasing full-time study with the participating lender(s) holding their loans.

Options are available to students who are unable to meet the repayment terms of their loan agreements. The lender may revise the repayment terms or interest and repayment relief may be provided under the federal and provincial interest relief programs.

The Saskatchewan Interest Relief Plan is available to students with Saskatchewan Student Loans in repayment to the participating lender or to the Saskatchewan Student Aid Fund. During approved periods of interest relief, the student is not required to make loan repayments and the Government of Saskatchewan pays the interest that accrues on the loan. Interest relief is approved in three-month periods with a lifetime maximum of 18 months. These periods are in addition to the six month interest-free grace period following studies before the student is required to begin repayment.

Audit and Verification

All information supplied by applicants is subject to audit and verification.

Four types of audits are performed by the Branch's Audit Unit:

- Electronic audits comparing the loan application's information against data bases at other government agencies;
- Referral audits on files forwarded to the Audit Unit for investigation by third parties;
- Randomly selected post-audits; and
- Fraud investigations resulting from any of the previous types of audits.

The provision of false or misleading information by applicants, spouses, parents or guardians may result in prosecution under the *Canada Student Financial Assistance Act, The Student Assistance and Student Aid Fund Act, 1985* and/or the *Criminal Code of Canada.*

Assignment of Saskatchewan Student Loans in Repayment

On July 7, 1997, the *Saskatchewan Student Loans Assignment Agreement* was signed by the Royal Bank of Canada and the Province of Saskatchewan. Under this agreement, certain Saskatchewan Student Loans in good standing in repayment to the Saskatchewan Student Aid Fund were transferred to the Royal Bank of Canada for the remainder of their repayment terms. Transfers began on October 1, 1997 and were completed by December 31, 1999. Students with transferred loans retain all the rights they had prior to the transfer.

Assistance for Students with Special Needs

Students with Permanent Disabilities:

As part of the Canada Student Loans Program, three types of assistance are available for students with permanent disabilities to assist them in meeting their training/education goals:

- Canada Student Loan;
- Special Opportunity Grant (federal/provincial funding for full-time and part-time students); and
- Permanent Disability Benefit (federal loan forgiveness).

To qualify for any of the above assistance, students must be eligible for Canada Student Loans and:

- have a disability of a permanent nature which limits physical or mental ability to perform the daily activities necessary to participate fully in post-secondary studies or in the labour force; and
- be able to provide proof of the disability along with a completed student loan application.

Canada Student Loan

For full-time Canada Student Loan assistance for students with permanent disabilities, students must:

- have received loans for no more than 520 weeks of study; and
- be enrolled in, and successfully complete, a course load which is at least 40% of a full-time course load.

Special Opportunity Grant for Students with Permanent Disabilities

The Special Opportunity Grant for Students with Permanent Disabilities provides a maximum of $7,000 ($5,000 federal and $2,000 provincial assistance) per year to a limited number of Saskatchewan students to cover exceptional expenses directly related to the students' permanent disabilities.

To be eligible, a student must:

- be permanently disabled and provide proof of permanent disability;
- be enrolled in post-secondary studies at a designated institution;
- have applied for a student loan and a Special Opportunity Grant for Students with Permanent Disabilities and have been assessed as having need for this assistance under the criteria of the programs;
- not be in default on a Canada Student Loan.

These grants are provided on a first-come, first-served basis.

Permanent Disability Benefit

The federal government offers a permanent disability benefit if a student with a disability is unable to repay his or her Canada Student Loan without exceptional hardship, despite revisions to the repayment terms. If the student's application is approved, the Canada Student Loan is repaid to the lender on behalf of the student.

Employability Assistance for People with Disabilities (EAPD):

The EAPD program provides disability related financial assistance to students who are disabled and vocationally handicapped to attend training/ education programs. As of August 1, 2000, students with disabilities enrolled in a minimum of 40% of a full course load may be eligible for Saskatchewan Student Loan assistance if they meet the eligibility criteria and the EAPD program confirms that this level of attendance is appropriate for the student's disability and career path.

Part-time Students:

The following types of assistance are available to part-time students attending designated post-secondary schools:

- Special Opportunity Grant for High Need Part-time Students;
- Part-time Canada Student Loan; and
- Canada Study Grant.

To be eligible, the student must be enrolled in a course of study that is 20% - 59% of a full course load or, if permanently disabled, be taking 20% - 39% of a full course load.

Special Opportunity Grant for High Need Part-time Students

This grant provides a maximum of $2,000 ($1,200 in federal and $800 in provincial assistance) per year to a limited number of high need students who are enrolled in part-time studies because they are unable to carry 60% of a full course load for one or more of the following documented reasons:

- They are single parents and/or social assistance recipients with family responsibilities; or
- They are responsible for the care of one or more dependants who are elderly and/or have a disability.

These grants are awarded on a first-come, first-served basis and are meant to cover direct educational costs.

Part-time Canada Student Loans Program

The Canada Student Loans Program provides interest-bearing loan assistance to part-time students who have cash flow problems and are unable to raise sufficient cash to pay immediate educational expenses such as tuition, books, instruments, transportation, child care and miscellaneous expenses. The maximum amount of outstanding loan principal allowed is $4,000.

Students negotiate these loans with one of the participating lenders for the Canada Student Loans Program and must begin making interest payments on the loan 30 days after receiving the funds.

A student receiving a Special Opportunity Grant for High Need Part-time Students may also be eligible for a Part-time Canada Student Loan if the grant does not meet the student's total assessed need.

Canada Study Grant

Part-time students who receive a Special Opportunity Grant for High Need Part-time Students and/or a Part-time Canada Student Loan, and who have dependent children, may be eligible for a Canada Study Grant. This grant provides a maximum of $40 per week of study for students with one or two children or a maximum of $60 per week of study for students with three or more children.

Women in Non-traditional Doctoral Studies:

The Special Opportunity Grant for Women in Non-traditional Doctoral Studies provides a maximum of $5,000 ($3,000 in federal and $2,000 in provincial assistance) per year to a limited number of women doctoral students studying full-time in non-traditional fields of study (where women have been traditionally underrepresented).

Students must establish need for assistance by applying for student loans and submitting a completed Application for Special Opportunity Grant for Female Doctoral Students.

These grants are awarded on a first-come, first-served basis. However, once students have received their first grant, they may be given priority status to receive grants in subsequent, but not necessarily consecutive, years to a maximum of three years.

Scholarship, Bursary and Emergency Loan Funding

A variety of scholarship and award programs for post-secondary students are funded through the Saskatchewan Student Aid Fund.

General Proficiency Awards

The General Proficiency Awards encourage and recognize scholastic achievement of students graduating from Grade 12 in Saskatchewan who will be continuing studies at the post-secondary level.

Federal Provincial Awards

The Saskatchewan Student Aid Fund is reimbursed by the federal government for these awards.

French Fellowship/Bursaries for French Language Bachelor of Education Students

These fellowships/bursaries:

- provide Anglophone post-secondary students with an opportunity for immersion in a French milieu; and
- encourage Francophones to pursue their post-secondary studies in French in disciplines that are not offered within Saskatchewan.

Fellowships to a maximum of $1,000 are available to students registered in approved programs in French at a Saskatchewan university or outside Saskatchewan if the programs are not available in French in the province.

Bursaries to a maximum of $2,000 are available to students enrolled in:

- the French language Bachelor of Education program at the University of Regina, or
- the Bachelor of Education After Degree (B.E.A.D.) program at the University of Regina.

French Minority Language Travel Bursaries

These bursaries:

- are intended to enable French minority language students who cannot pursue their post-secondary studies in their own language in Saskatchewan to study elsewhere in Canada; and
- provide the cost of one economy round trip per semester of full-time studies from the student's place of residence to the post-secondary institution chosen.

Queen Elizabeth II Scholarship in Parliamentary Studies

The Queen Elizabeth II Scholarship was announced during the October, 1987 visit by the Queen and Duke of Edinburgh. One $10,000 scholarship is awarded annually for graduate or post-graduate study of Saskatchewan politics and government at either of Saskatchewan's universities.

D. R. Simmons Memorial Scholarships

Two D.R. Simmons Memorial Scholarships of $500 are available annually to graduating Grade 12 students of First Nations or Métis ancestry who are continuing studies at the post-secondary level.

James Dickson Scholarship

One James Dickson Scholarship of $500 is available annually to a graduating Grade 12 student of black ancestry. If no award is made during one year, two awards may be made during the following year.

Doreen Kronick Matching Scholarship

One Doreen Kronick Scholarship of $500 is available in Canada each year to recognize the scholastic achievement of a full- or part-time graduate student studying in an area that will enable the student to help individuals with learning disabilities. Saskatchewan Post-Secondary Education and Skills Training will award an additional $500 if the recipient is a Saskatchewan resident attending a Saskatchewan university.

Fuhrmann Emergency Loan Program

This program was established with a $12,000 donation from the Fuhrmann family of Regina to provide short-term loans of up to $400 per student during any twelve month period for full-time studies at SIAST. The loans are interest-free if repaid within 90 days.

Statistical Summary of Saskatchewan Student Assistance Program Activity

Table 2 - Full-time Canada Student Loans: 1990-91 to 1999-2000

Fiscal Year	Number of Loans	Amount Authorized*
1990-91	18,319	$54,410,115
1991-92	16,849	53,114,897
1992-93	16,568	54,725,675
1993-94	15,802	51,349,700
1994-95**	15,709	56,482,368
1995-96	15,194	57,572,356
1996-97	14,745	61,329,458
1997-98	14,882	61,421,073
1998-99	14,930	63,097,821
1999-2000	16,384	69,681,009

Table 3 - Saskatchewan Student Loans: 1990-91 to 1999-2000

Fiscal Year	Number of Loans	Amount Authorized*
1990-91	13,695	$43,060,228
1991-92	13,179	41,636,257
1992-93	13,181	44,494,756
1993-94	12,764	43,020,980
1994-95**	14,995	40,299,114
1995-96	14,443	40,803,330
1996-97***	13,886	44,364,852
1997-98	14,338	45,816,075
1998-99	14,355	49,999,434
1999-2000	16,246	57,102,028

** **Authorized loans** are loans **approved** for courses starting in the fiscal year indicated, **whether or not the monies were paid in that fiscal year.***

*** Beginning August 1, 1994, 60% of a student's assessed need was authorized in Canada Student Loan with the remainder authorized in Saskatchewan Student Loan.*

**** Implementation of Lender-financed Saskatchewan Student Loans for courses starting August 1, 1996 or later.*

Table 4 - Sask. Student Loans Repayments Received by the Student Aid Fund: 1990-91 to 1999-2000

Fiscal Year	Amount
1990-91	$7,168,855
1991-92	8,525,017
1992-93	11,010,113
1993-94	13,894,474
1994-95*	15,345,972
1995-96	17,969,682
1996-97	22,535,352
1997-98**	19,451,498
1998-99	8,038,295
1999-2000	3,380,867

** Adjusted retroactively to conform to 1996 accounting policy.*

*** Beginning October 7, 1997 some Saskatchewan Student Loans in repayment were transferred to the Royal Bank under the Saskatchewan Student Loan Assignment Agreement.*

Table 5 - Total Amount of Sask. Student Aid Fund Loans Receivable, as of March 31 of Each Fiscal Year: 1989-90 to 1999-2000

Fiscal Year	Amount
1991	$43,475,169
1992*	63,540,081
1993	73,849,825
1994	79,623,023
1995**	81,179,231
1996	86,087,979
1997***	52,105,084
1998****	35,071,673
1999	7,643,393
2000	4,669,883

** Adjusted retroactively to conform to 1993 accounting policy.*

*** Adjusted retroactively to conform to 1996 accounting policy.*

**** Lender-financed Saskatchewan Student Loans implemented for courses starting August 1, 1996 or later are negotiated and repaid to the Royal Bank.*

***** Beginning October 7, 1997 some Saskatchewan Student Loans in repayment were transferred to the Royal Bank under the Saskatchewan Student Loan Assignment Agreement.*

Table 6 - Paid Sask. Student Bursary Debt Reduction Benefit: 1998-99 and 1999-2000

Year	Number of Bursaries	Amount Approved
1998-99*	558	$660,031**
1999-2000	8,658	18,111,776

** From August 1, 1998 to March 31, 1999.*
***Adjusted to conform to current statistical data.*

Table 7 - Paid Canada Study Grant - Debt Reduction Benefit: 1998-99 and 1999-2000

Year	Number of Grants	Amount Approved
1998-99*	245	$164,255
1999-2000	2,706	3,572,157

** From August 1, 1998 to March 31, 1999.*

Table 8 - Paid Sask. Study Grant - Debt Reduction Benefit: 1998-99 and 1999-2000

Year	Number of Grants	Amount Approved
1998-99*	226	$252,934
1999-2000	2,467	5,315,241

** From August 1, 1998 to March 31, 1999.*

Table 9 - Paid Canada Millennium Scholarship Foundation Bursary* - Debt Reduction Benefit: 1999-2000

Year	Number of Bursaries	Amount Authorized
1999-2000	3,940	$9,775,000

** This deferred debt reduction benefit has no Student Aid Fund involvement. The Foundation forwards the authorized amount to the student's financial institution to be applied against the student's loan balance.*

Table 10 - Remission Subsidy Approvals on Canada Student Loans and Sask. Student Loans*: 1990-91 to 1999-2000

Year	Number of Loans	Amount Approved
1990-91	1,720	$7,721,378
1991-92	1,458	5,835,096
1992-93	1,291	3,088,657
1993-94	961	2,144,130
1994-95	700	1,496,877
1995-96	705	1,481,779
1996-97	572	1,671,950
1997-98	1,025	2,102,122
1998-99	1,105	2,350,543
1999-2000	1,000	2,066,575

** Saskatchewan Student Loans include the former Saskatchewan Student Loans Program, Saskatchewan Supplementary Loans Program, the Saskatchewan Student Loans Program and Lender-financed Saskatchewan Student Loans.*

Table 11 - Loan Forgiveness Approvals on Sask. Student Loans - 1990-91 to 1999-2000

Year	Number of Students	Amount Approved
1990-91	3,945	$10,334,039
1991-92	3,807	9,788,040
1992-93	4,203	9,702,555
1993-94	4,669	10,298,765
1994-95	4,456	9,198,831
1995-96	4,206	10,334,146
1996-97	3,734	10,436,464
1997-98	4,715	13,761,585
1998-99*	5,005	15,572,400
1999-2000**	573	2,552,954

** Loan forgiveness was replaced and enhanced by Saskatchewan Student Bursary - Debt Reduction Benefit starting August 1, 1998.*
*** Includes approvals for courses starting prior to August 1, 1998.*

Table 12 - Special Opportunity Grant for Students with Permanent Disabilities: 1995-96 to 1999-2000

Year	Number of Grants	Amount Paid*
1995-96	63	$235,552
1996-97	103	320,978
1997-98	107	340,175
1998-99	114	407,457
1999-2000**	162	665,355

**Grants are cost shared by the federal and provincial governments.*
***Maximum was increased to $7,000 per year.*

Table 13 - Special Opportunity Grant for High Need Part-time Students: 1995-96 to 1999-2000

Year	Number of Grants	Amount Paid*
1995-96	48	$83,932
1996-97	132	174,106
1997-98	217	295,831
1998-99	227	322,767
1999-2000	265	440,809

**Grants are cost shared by the federal and provincial governments.*

Table 14 - Canada Student Loans Program for Part-time Students: 1990-91 to 1999-2000

Year	Number of Loans	Amount Authorized
1990-91	54	$45,914
1991-92	68	77,780
1992-93	70	79,412
1993-94	89	94,307
1994-95*	51	73,858
1995-96	96	112,274
1996-97	54	76,842
1997-98	86	116,233
1998-99	105	144,704
1999-2000	158	171,189

**The limit on outstanding principal was increased to $4,000 from $2,500 beginning August 1, 1994.*

Table 15 - Special Opportunity Grant for Female Doctoral Students: 1995-96 to 1999-2000

Year	Number of Grants	Amount Paid*
1995-96	3	$12,129
1996-97	12	39,199
1997-98	6	16,484
1998-99	7	27,377
1999-2000	7	31,080

**Grants are cost shared by the federal and provincial governments.*

Table 16 - Sask. Interest Relief Plan - Interest and Repayment Relief: 1990-91 to 1999-2000

Year	Number of Borrowers on Interest Relief	Interest Paid*
1990-91	1,582	
1991-92	1,720	$309,749
1992-93	3,336	642,290
1993-94	3,302	746,950
1994-95	3,034	747,322
1995-96	3,099	804,454
1996-97	2,952	730,738
1997-98**	3,432	652,809
1998-99**	4,180	668,302
1999-2000	4,516	678,151

** Figures not available for 1990-91*

*** Figures include interest paid on Lender-financed Saskatchewan Student Loans held by Royal Bank as well as interest relief on Saskatchewan Student Loans held by the Province.*

Table 17 - General Proficiency Awards* 1990-91 to 1999-2000

Year	Number of Awards	Total Amount Awarded
1990-91	393	$253,000
1991-92	519	257,300
1992-93	509	261,300
1993-94	631	252,600
1994-95	645	258,000
1995-96	648	259,200
1996-97	629	251,600
1997-98	644	257,600
1998-99	636	254,400
1999-2000	660	264,000

**Includes Saskatchewan Awards Program which was in effect prior to 1993-94.*

Table 18 - French Language - Federal-Provincial Awards*: 1990-91 to 1999-2000

Year	Number of Awards/Units	Total Amount Awarded
1990-91	689	$516,044
1991-92	614	511,661
1992-93	398	429,944
1993-94	539	420,076
1994-95	236	302,186
1995-96	309	174,610
1996-97	247	152,757
1997-98	216	143,996
1998-99	218	124,300
1999-2000	257	181,950

**Includes: French Language Teacher Bursary Program, French Language Study Fellowships, French Minority Language Travel Bursaries, Bursaries for French Language Bachelor of Education Students.*

Management's Responsibility for Financial Statements

The accompanying financial statements included in the 1999-2000 Saskatchewan Student Aid Fund Annual Report are the responsibility of Student Financial Assistance Branch, Saskatchewan Post-Secondary Education and Skills Training, and have been approved by the Student Aid Fund Trustees. The Branch has prepared these financial statements in accordance with generally accepted accounting principles. The financial information presented elsewhere in this annual report is consistent with that in the financial statements.

Regina, Saskatchewan
May 11, 2000

Brady Salloum

Brady Salloum
Executive Director,
Student Financial Assistance Branch

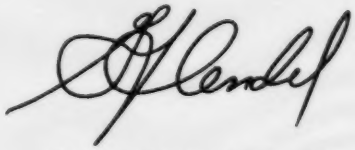
Provincial Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan:

I have audited the balance sheet of the Saskatchewan Student Aid Fund as at March 31, 2000 and the statements of revenue, expenditure and accumulated surplus, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.



Regina, Saskatchewan
May 11, 2000

Fred Wendel, CMA, CA
Acting Provincial Auditor

Saskatchewan Student Aid Fund

Statement 1

Balance Sheet
As at March 31

	2000	1999 (Restated Note 9)
ASSETS		
Assets:		
Due from General Revenue Fund (Note 6)	$ 44,366,379	$ 57,570,441
Accrued Interest	582,675	673,178
Appropriation Due from General Revenue Fund	4,100,000	0
Other Receivables	207,351	42,142
Student Loans Receivable (Note 7)	4,669,883	7,643,393
Total Assets	$ 53,926,288	$ 65,929,154
LIABILITIES, FUND BALANCES AND ACCUMULATED SURPLUS		
Liabilities:		
Due to Royal Bank of Canada (Note 8)	$ 33,748,686	$ 38,897,949
Other Accounts Payable	675,915	895,294
Total Liabilities	34,424,601	39,793,243
Scholarship Funds	36,300	36,300
Accumulated Surplus (Statement 2)	19,465,387	26,099,611
	$ 53,926,288	$ 65,929,154

(See accompanying notes to financial statements)

Saskatchewan Student Aid Fund

Statement 2

Statement of Revenue, Expenditure and Accumulated Surplus

For the Year Ended March 31

	Budget	2000	1999 (Restated Note 9)
Revenue:			
Appropriation from the General Revenue Fund	$ 27,515,000	$ 24,086,000	$ 30,995,000
Interest Payments from the General Revenue Fund	2,000,000	2,086,818	2,903,110
Interest on Student Loans	0	1,206,447	2,426,191
Recovery of Bad Debt Allowances	0	1,487,188	875,865
Other Income	150,000	180,823	125,195
	29,665,000	29,047,276	37,325,361
Expenditure:			
Interest on General Revenue Fund Loan (Note 10)	0	0	958,755
Loan Forgiveness Grants	0	206,885	3,120,652
Saskatchewan Student Bursaries	18,750,000	17,420,185	12,824,431
Canada Study Grants	3,300,000	4,032,966	2,412,821
Saskatchewan Study Grants	4,850,000	4,277,780	3,509,947
Special Incentive Loan Remissions	2,000,000	2,564,879	2,558,012
Interest on Loans	6,400,000	3,397,117	4,874,297
Risk Premium	1,055,000	1,241,510	2,710,633
Loan Guarantee	500,000	91,661	80,599
Interest Relief Grants	1,200,000	493,722	1,099,073
Interest Write-Down Grants	0	94	0
Collection Costs	600,000	330,180	427,124
Special Opportunity Grants	950,000	1,170,419	757,601
Bursaries and Scholarships	421,000	454,100	390,200
	40,026,000	35,681,498	35,724,145
Excess (Shortfall) of Revenue Over Expenditure for the Period	$ (10,361,000)	(6,634,222)	1,601,216
Accumulated Surplus, Beginning of Period		26,099,609	24,498,395
Accumulated Surplus, End of Period to Statement 1		$ 19,465,387	$ 26,099,611

(See accompanying notes to financial statements)

Saskatchewan Student Aid Fund

Statement 3

Statement of Cash Flow

For the Year Ended March 31

	2000	1999 (Restated Note 9)
Cash Provided by (used in) Operating Activities:		
(Shortfall) Excess of Revenue Over Expenditure	$ (6,634,222)	$ 1,601,216
Change in Non-Cash Working Capital Items:		
Decrease (increase) in Accrued Interest	90,502	(221,639)
(Increase) in Appropriation Due from General Revenue Fund	(4,100,000)	0
(Increase) decrease in Other Receivables	(165,209)	176,751
Decrease in Student Loans Receivable	2,973,510	27,428,280
(Decrease) increase in Due to Royal Bank of Canada	(5,149,263)	5,700,166
(Decrease) in Other Accounts Payable	(219,380)	(549,150)
Cash Provided by (used in) Operating Activities	(13,204,062)	34,135,624
Cash Provided by (used in) Financing Activities:		
General Revenue Fund Loan Repayments	0	(24,182,553)
Net (Decrease) Increase in Due from General Revenue Fund	(13,204,062)	9,953,071
Due from General Revenue Fund, Beginning of Year	57,570,441	47,617,370
Due from General Revenue Fund, End of Year	$ 44,366,379	$ 57,570,441

(See accompanying notes to financial statements)

Saskatchewan Student Aid Fund
Notes to the Financial Statements
March 31, 2000

1. Authority

The Saskatchewan Student Aid Fund (the Fund) continued under *The Student Assistance and Student Aid Fund Act, 1985*. The primary purpose of the Fund is to operate the Saskatchewan Student Assistance Program. The Department of Post-Secondary Education and Skills Training (the Department) administers the Fund and the Saskatchewan Student Assistance Program.

2. Description of the Program

Under the terms of the Saskatchewan Student Assistance Program, student loans are provided to qualifying individuals at interest rates prescribed by the Minister of Post-Secondary Education and Skills Training. They are interest-free while in full-time studies. Loans become repayable and interest begins after a six-month "grace" period following discontinuance of studies or graduation.

Three new student debt reduction benefits were introduced for the 1998-99 loan year and are funded through the Fund. The Saskatchewan Student Bursary, which replaces the former Forgivable Loan Plan provides a bursary to all students with a need over $180 per week up to $275 per week. The Canada Study Grants and the Saskatchewan Study Grants provide grants to students with dependants to cover their need between $275 per week and $400 per week.

In May, 1999, the Province of Saskatchewan signed a ten year agreement with the Canada Millennium Scholarship Foundation. This agreement provides approximately $9.7 Million annually in millennium bursaries to approximately 3,800 Saskatchewan post-secondary students.

Special incentive loan remission grants available to high need disadvantaged students, Saskatchewan Student Bursaries and Canada/Saskatchewan Study Grants are granted to all borrowers who meet the requirements specified by the Saskatchewan Student Assistance Program Administrative Guidelines. If the value of grants exceed the student's loan balance, the excess is applied to their Canada Student Loans or paid to the qualifying borrower.

A Risk Sharing Student Loans Agreement (the Agreement) between the Department and the Royal Bank of Canada was signed March 12, 1996. This Agreement covers loans approved between August 1, 1996 and July 31, 2001. The Department retains responsibility for loan approval. Saskatchewan Student Loans approved in this period are financed by the Royal Bank. Students still at school, with existing loans, had their loan balances transferred to the Royal Bank when the Department approved their new loans. Loan disbursement, management and collection are done by the Royal Bank as detailed in the Agreement. The Fund pays a risk premium of 5% to the Royal Bank when loans become repayable.

The Department negotiated another agreement with the Royal Bank to transfer substantially all of the loans held by the Fund. This agreement came into effect on October 1, 1997 and remained in force until December 31, 1999. Borrowers who were not in default, had more than seven monthly payments still owing and were not on interest relief were eligible to be transferred. The Fund paid a risk premium of 5% to the Royal Bank when the balance of the loan was transferred. When a loan was transferred, any bad debt allowance relating to that loan was recovered. Borrowers will retain the rights associated with their loans (i.e., interest rate, repayment term and interest relief eligibility were transferred with the loan).

Debt reduction benefits, other than the Canada Millennium Bursaries, and costs associated with the interest-free period on lender-financed loans are paid by the Fund to the Royal Bank to be applied against student loan balances. The Canada Millennium Bursaries are funded by the Canada Millennium Scholarship Foundation and are applied against student loan balances.

For courses starting on or after August 1, 2000, the Province will no longer pay the interest that accrues during the six-month grace period after completing full time studies on provincial student loans. Currently, the Province pays this interest at prime rate to the Royal Bank on behalf of the students.

Many students taking out loans and/or interest-free benefits for courses starting on or after August 1, 2000 will also have taken out loans prior to August 1, 2000. These 'continuing' students will lose their eligibility for this government interest payment on loans taken out prior to August 1, 2000 as well as loans taken out on or after August 1, 2000.

The Student Aid Fund expensed an amount of money to cover the grace period interest on all loans previously issued. This accrual has been reduced for those loans of continuing students where the grace period on loans issued prior to August 1, 2000 will no longer be interest-free. This reduced commitment has been recognized at March 31, 2000.

3. Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles. The following accounting policies are considered significant.

a) Accrual Basis

The financial statements are prepared on the accrual basis of accounting.

b) Student Loans Receivable

Student loans are carried at amounts advanced plus accrued interest. Interest commences six months following discontinuance of studies or graduation. Simple interest is charged on loans following the interest-free period. Payments on loans are first applied to interest, then to outstanding principal.

Loans are reduced by approved special incentive loan remissions and loan forgiveness grants.

For loans held by the Fund, allowances are deducted from loans receivable for the following:

(i) estimated uncollectible loans due to default on repayment, based on past collection experience, and
(ii) estimated benefits to borrowers for interest relief.

4. Loans Held by Student Aid Fund

Loans held by the Fund consist of amounts owing by borrowers for loans granted in previous periods.

The Fund is exposed to credit-related losses in the event that borrowers default on repayment of the student loans. Credit risk represents the maximum amount at risk if the borrowers defaulted on their repayments. The Fund's credit risk on student loans receivable is represented by Gross Student Loans Receivable, end of year in Note 7.

The recorded allowance for uncollectible loans is $9,076,656 (1999 — $13,593,680). This allowance could reasonably be expected to fluctuate between $8,620,381 and $9,533,305 within the next twelve months (1999 — $12,720,696 to $14,467,365).

The Fund is also exposed to interest rate risk. Loans receivable have effective interest rates of 5.00% to 12.00% (1999 — 5.00% to 12.00%). Under *The Student Assistance and Student Aid Fund Regulations, 1990,* the Minister charges interest rates as set pursuant to the *Canada Student Loans Act.* Under this Act, each year in August, the Federal government sets the interest rates to be charged for students graduating during the next 12 months. This rate is based on average open market yield for the previous 6 months on mid-term (5-10 years) Government of Canada bonds plus 1%. At March 31, 2000, the rate was 6.25%. These loans were financed by the General Revenue Fund as described in Note 10. The loan balances and related interest rates are listed in the following schedule:

Interest Rate	2000 Total Balance	1999 Total Balance
Less than 8.0%	$ 725,139	$ 573,286
8.0% — 8.9%	6,243,687	9,248,201
9.0% — 9.9%	5,939,816	10,088,863
10.0% — 10.9%	614,147	1,032,874
11.0% or greater	403,443	653,190
Gross student loans receivable, end of year (Note 7)	$ 13,926,232	$ 21,596,414

The fair value and repayment period of loans receivable have not been disclosed because it is not practicable to determine the loan repayments with sufficient reliability. There are a number of factors needed to estimate the timing and the amount of loan repayments. These factors include the Fund's historical experience, applications for interest relief, forgiveness, and remission grants, economic conditions, and the necessity to rely on the actions of a large number of individuals.

5. Interest Relief Grants

Interest relief grants are provided to borrowers in repayment who are unable to meet their repayment obligations due to financial hardship. Applicants are eligible for these grants for a maximum of 18 months.

6. Due from General Revenue Fund

The Fund's bank accounts are included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

The Fund's earned interest is calculated and paid quarterly by the General Revenue Fund to the Fund using the General Revenue Fund's thirty day borrowing rate and the Fund's average daily bank account balances.

7. Student Loans Receivable

		2000	1999 (Restated Note 9)
Loans outstanding, beginning of year		$ 21,596,414	$ 56,605,316
Add:	New loans during the year	0	0
	Interest earned on student loans	1,206,447	2,426,191
	Bad debts recovered	750,274	780,986
Deduct:	Loan repayments received	(3,380,867)	(8,038,295)
	Book value of loans transferred to the Royal Bank	(2,413,652)	(23,221,953)
	Amounts authorized to reduce loans	(52,273)	(284,739)
	Loans written off	(3,780,111)	(6,671,092)
	Gross student loans receivable, end of year	$ 13,926,232	$ 21,596,414
Deduct:	Allowance for interest relief	(179,693)	(359,341)
	Allowances estimated on prior year's experience:		
	Allowance for uncollectible loans before recovery	(10,563,844)	(14,469,545)
	Less recovery of bad debt allowance	1,487,188	875,865
Student loans receivable, end of year		$ 4,669,883	$ 7,643,393

8. Due to Royal Bank of Canada

The Fund estimates amounts due to the Royal Bank. This estimate includes the following:

a) Interest Accrual

Currently, interest accruing on student loans is not paid by the borrower as long as they are in school or grace. The Fund pays this interest to the Royal Bank. The interest accrual is an estimate, based on the projected loan receivable balance and the projected market rate of interest. The estimated projected market rate of interest is 6.9% (1999 — 6.35%) and the estimated period students are in school or grace is two years. However, it is reasonable to expect the interest rate to fluctuate between 6.65% and 7.15% over the next 12 months (1999 — 6.1% to 6.6%). As identified in Note 2, the accrual has been reduced for those loans issued prior to August 1, 2000 where the grace period will no longer be interest-free.

b) Special Incentive Loan Remission and Loan Forgiveness Grant Accrual

The Fund will pay the Royal Bank expected future special incentive loan remission grants and any outstanding loan forgiveness grants.

c) Risk Premium Accrual

A risk premium is paid to the bank at the time the loan becomes repayable. The risk premium is equal to 5% of the total outstanding loan at the time the loan becomes repayable. The accrual is an estimate of future risk premiums for loans held by the Royal Bank. This estimate is calculated after considering possible future forgiveness, special incentive loan remission grants, bursaries, study grants and Canada Millennium Bursaries. This amount is not expected to fluctuate significantly within the next 12 months.

d) Loan Guarantee Accrual

The Fund guarantees loans in certain circumstances in the event of death or bankruptcy of the borrower. The amount paid to the bank is equal to the loan balance outstanding on the date of death or bankruptcy. This amount is not expected to fluctuate significantly within the next 12 months.

e) Interest Relief Accrual

Interest relief is paid to the bank at the lender prime rate of interest in effect at the time the borrower applies for relief. It is estimated that the interest relief accrual will be paid to the bank on behalf of applicants over a nine-year period. This amount is not expected to fluctuate significantly within the next 12 months.

In addition, Due to Royal Bank of Canada includes Saskatchewan Student Bursaries, Canada Study Grants and Saskatchewan Study Grants. The payables for Saskatchewan Student Bursaries and Saskatchewan Study Grants have been reduced by approximately $7.7 Million, which is a portion of the $9.7 Million received from the Canada Millennium Scholarship Foundation.

These accruals could reasonably be expected to fluctuate within the next 12 months as follows:

	2000		1999 (Restated Note 9)
	Actual	Range of Accruals	Actual
Interest accrual	$ 6,367,257	$ 6,142,000 to $ 6,592,000	$ 8,106,682
Loan forgiveness grant accrual	1,254,316	1,072,000 to 1,449,000	3,600,385
Special incentive loan remission accrual	2,989,144	2,556,000 to 3,452,000	2,490,840
Risk premium accrual	2,798,883	n/a	3,069,265
Loan guarantee accrual	325,000	n/a	365,000
Interest relief accrual	3,608,338	n/a	3,613,118
	$ 17,342,938		$ 21,245,290
Saskatchewan Student Bursaries	$ 11,486,434		$ 12,164,400
Canada Study Grants	2,694,004		2,231,245
Saskatchewan Study Grants	2,225,310		3,257,014
Due to Royal Bank of Canada	**$ 33,748,686**		**$ 38,897,949**

9. Comparative Figures

Certain 1999 comparative figures have been reclassified to conform with the current year's presentation.

In addition, the 1998/99 estimate of amount Due to Royal Bank of Canada has been restated. The impact of the debt reduction benefits were not taken into account in the calculation of the Interest Accrual. The effect of the restatement is as follows:

	2000	1999
Decrease in Due to Royal Bank	—	$ (2,202,656)
Decrease in Interest on Loans	—	(656,571)
Increase in Accumulated Surplus, Beginning of Period	$ 2,202,656	1,546,085

10. General Revenue Fund Loan

Loans were obtained from the General Revenue Fund to finance loans to students. Interest accrues quarterly and was based on the General Revenue Fund's cost of borrowing. This loan was repaid in full on December 10,1998.

11. Related Party Transactions

In accordance with established government practice, all administrative and occupancy costs are paid by the Department of Post-Secondary Education and Skills Training — General Revenue Fund. Accordingly, no provision for these costs is reflected in these financial statements. Costs for loans sent to collection agencies are paid by the Fund. Other related party transactions are disclosed separately in these financial statements.

12. Uncertainty Due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the Year 2000 as 1900 or some other date, resulting in errors when information using Year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the entity, including those related to customers, suppliers, or other third parties, have been fully resolved.